



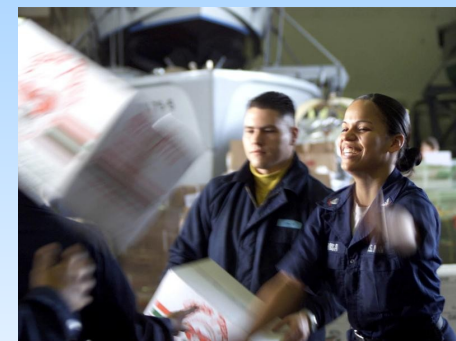
COMMERCIAL ITEM IMPLEMENTATION PLAN



**Presentation To
Acquisition Reform Senior Steering
Group
(ARSSG)**

By

**WILLIAM J. KENNY
Executive Director
Logistics Policy &
Acquisition Management
June 12, 2001**





COMMERCIAL ITEM IMPLEMENTATION PLAN

REFLECTS LESSONS LEARNED
FROM PARTICIPATION IN -



- DOD COMMERCIAL DESIGNATIONS IPT
- COMMERCIAL ACQUISITION POLICY WORKING GROUP
- DUSD(AR) COMMERCIAL ITEM HANDBOOK IPT

Tasking provided opportunity ...

Right Item, Right Time, Right Place, Right Price, Every Time . . .Best Value



COMMERCIAL ITEM IMPLEMENTATION PLAN

SIX BROAD AGENCY ACTIONS TO FACILITATE USE OF FAR PART 12:

- SHARE LESSONS LEARNED - CREATE KNOWLEDGE MANAGEMENT ENVIRONMENT
- UPDATE TRAINING & GUIDANCE - ON MARKET RESEARCH/DETERMINING COMMERCIALITY
- EXPAND AWARDS/INCENTIVES PROGRAM
- INVESTIGATE BARRIERS/UNDERUTILIZATION
- ENSURE MANAGEMENT EMPHASIS
- MEASURE PROGRESS



Actions designed to take us where we want to go!

Right Item, Right Time, Right Place, Right Price, Every Time . . .Best Value



COMMERCIAL ITEM IMPLEMENTATION PLAN

POTENTIAL OVERLAPPING/CONFLICTING AGENCY OBJECTIVES:



- USE OF LONG-TERM CONTRACTING INSTRUMENTS
- USE OF PROCUREMENT AUTOMATED CONTRACT EVALUATION (PACE) SYSTEM

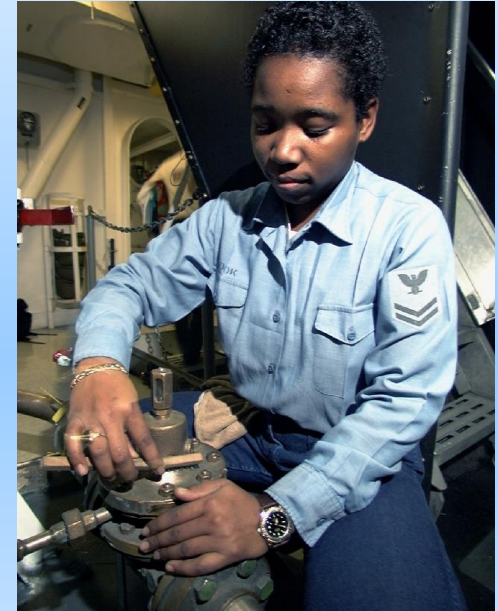
DLA is pursuing solutions ...



COMMERCIAL ITEM IMPLEMENTATION PLAN

DLA ACTIONS TO MINIMIZE CHALLENGES -

- CONVERTING LONG-TERM CONTRACTS TO PART 12
- PURSUING APPLICATION OF PART 12 TO HYBRID REQUIREMENTS
- SEEKING OPTIMUM BSM FUNCTIONALITY



FAR Part 12 goals will be -

- *Integrated with Agency Strategic Goals & Balanced Scorecard*
- *Cascaded to DLA Buying Activities*

Right Item, Right Time, Right Place, Right Price, Every Time . . .Best Value



COMMERCIAL ITEM IMPLEMENTATION PLAN

"SURGE"

A DEMONSTRATED COMMITMENT



- CONTINUE TO ADOPT BEST COMMERCIAL PRACTICES
- PART 12 USE FOR TROOP SUPPORT/ENERGY
- STRATEGIC SOURCING FOR WEAPONS PARTS (CLASS IX)
- COTS SOLUTION FOR BUSINESS SYSTEMS MODERNIZATION (BSM)

**THE ROLLOUTS CONTINUE...
ESA AUTOMATION - DAPS E-COMMERCE - DRMS CV - AND MANY MORE!**

Right Item, Right Time, Right Place, Right Price, Every Time . . .Best Value



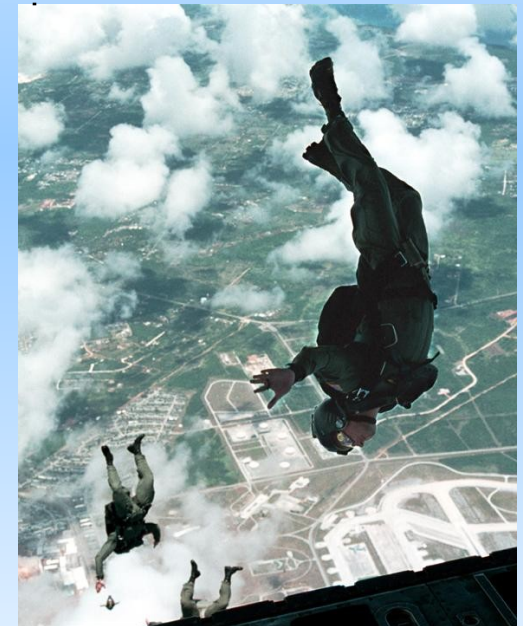
COMMERCIAL ITEM IMPLEMENTATION PLAN

OTHER SIGNIFICANT ACHIEVEMENTS

DEVELOPED GROUND-BREAKING METHODOLOGIES FOR IDENTIFYING COMMERCIAL ITEMS -

- CODING OF LOGICAL GROUPINGS OF ITEMS
- COMMERCIAL PROBABILITY COMPUTER MODEL
- GUIDANCE TO FACILITATE DETERMINATIONS OF COMMERCIALITY ON A GROUP BASIS

**WE PROVIDE TOOLS
TO FACILITATE SUCCESS!**





COMMERCIAL ITEM IMPLEMENTATION PLAN

ACHIEVABILITY OF FY 2005 GOALS -

DOUBLE FY 99 DOLLAR VALUE -

YES!

CONDITIONED UPON ...

- ACCURACY OF FY 2005 PROJECTED OBLIGATIONS
- CONTINUED 4.7% ANNUAL INCREASE IN PART 12 DOLLARS AWARDED

INCREASE ACTIONS TO 50% -

YES!

CONDITIONED UPON ...

- CONTINUED INCREASES IN PART 12 ACTIONS, ESPECIALLY LONG-TERM CONTRACTS
- BSM INCLUDING PART 12 IN SYSTEM THAT REPLACES PACE

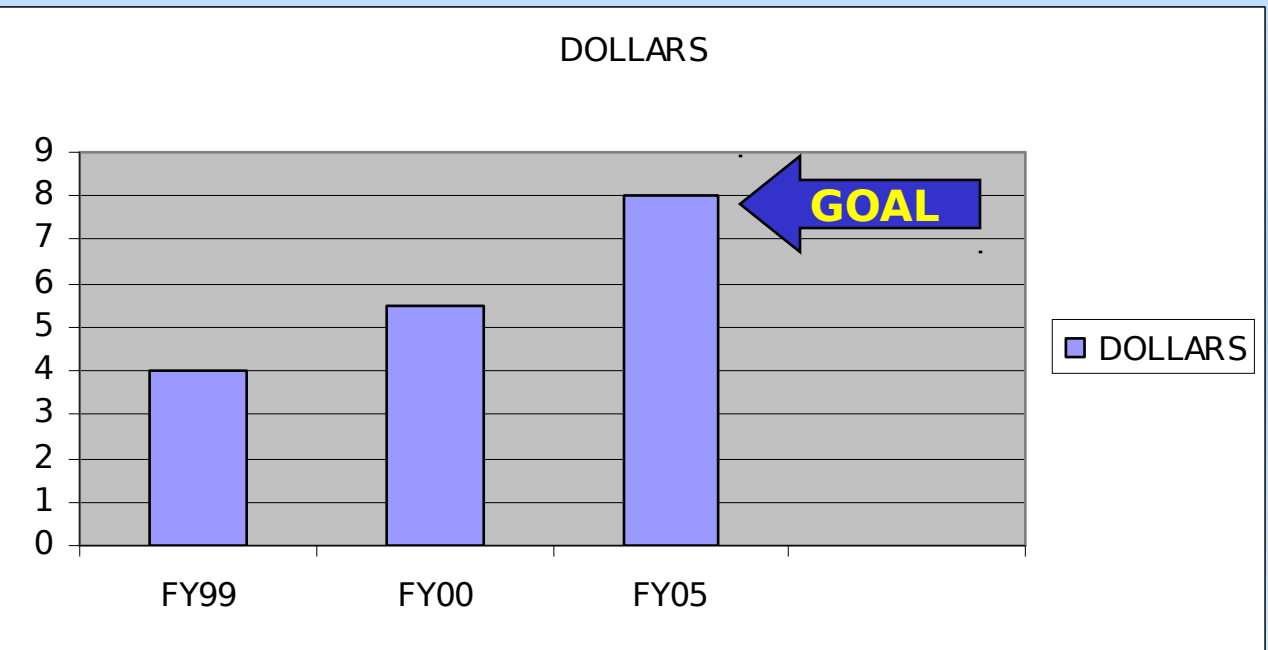
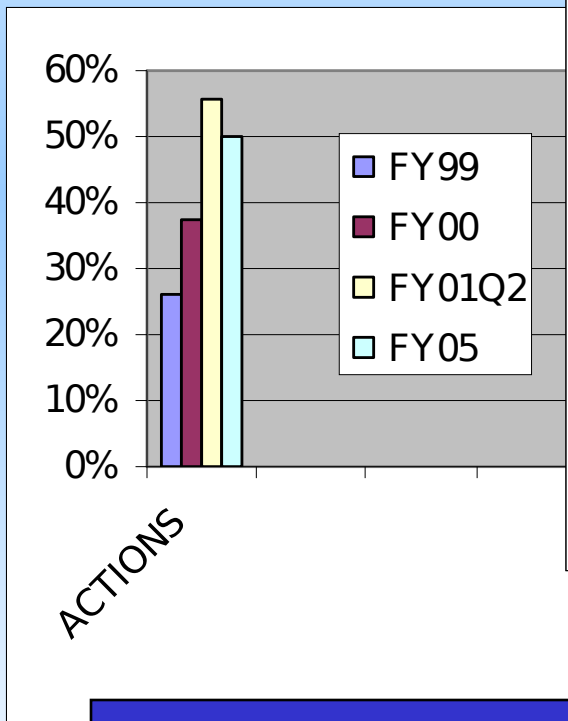
FOR ACTIONS > \$25,000 & ≤ \$25,000



COMMERCIAL ITEM IMPLEMENTATION PLAN

GOAL MET!

HOW ARE WE DOING?



ACTIONS > \$25,000

UP \$1.5B

MAKING PROGRESS!



COMMERCIAL ITEM IMPLEMENTATION PLAN

- FULLY SUPPORTS DOD POLICY -



- BASED ON LESSONS LEARNED

- DESIGNED FOR SUCCESS

- CONSIDERS CHALLENGES

- REFLECTS ACCOMPLISHMENTS



DLA SENIOR LEADERSHIP IS COMMITTED!!!